

GRAMMER increases revenue and earnings in FY 2023 and appoints COO Guoqiang Li to the Executive Board

- *GRAMMER Group increases revenue by 6.8% to EUR 2,304.9 million*
- *Free cash flow climbs to EUR 48.2 million (previous year: EUR 31.3 million)*
- *Operating EBIT of EUR 56.8 million also clearly above previous year (EUR 35.5 million) but below expectations*
- *Business performance still influenced by macroeconomic and sectoral uncertainties*
- *“Top 10 Measures” program initiated to increase profitability in 2024*
- *Outlook for 2024: Revenue at previous year’s level and further improvement in profitability*
- *Chief Operating Officer Guoqiang Li appointed to Executive Board with effect from April 1, 2024*

Ursensollen, March 28, 2024 – The GRAMMER Group today presented its audited consolidated financial statements for the 2023 financial year, according to which revenue amounted to EUR 2,304.9 million, up 6.8% on the previous year. Adjusted for currency effects, revenue increased by 10.4%. Both the EMEA and APAC regions, as well as the Automotive and Commercial Vehicles product areas contributed to the revenue performance. In the EMEA region, revenue rose by 7.0% to EUR 1,210.9 million, while the APAC region recorded a 24.7% increase in revenue to EUR 532.3 million. In the AMERICAS region, however, revenue was down year-on-year at EUR 622.0 million. The Automotive product area grew by 8.3% to EUR 1,505.5 million, while Commercial Vehicles grew by 4.0% to EUR 799.4 million.

Consolidated earnings before interest and taxes amounted to EUR 42.0 million in the 2023 financial year, compared to EUR -45.0 million in the previous year. The previous year’s result was particularly impacted by an impairment in AMERICAS. Operating EBIT rose by an impressive 60.0% to EUR 56.8 million (previous year: EUR 35.5 million) and was adjusted by negative currency-translation effects of EUR 10.7 million (previous year: EUR 0.2 million) and expenses for restructuring measures in AMERICAS of EUR 4.1 million. The operating EBIT margin was 2.5%

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(previous year: 1.6%). The more stable business performance in APAC and the positive trend in EMEA had a positive impact on earnings. In addition, GRAMMER was able to reach agreements with customers to pass on the high inflation-related cost increases also in 2023 financial year. At EUR -42.7 million, operating earnings in AMERICAS were below expectations, despite an improvement compared to the previous year (EUR -48.3 million). Free cash flow climbed to EUR 48.2 million (previous year: EUR 31.3 million). The increase was mainly due to an improvement in working capital items for raw materials and project inventories.

Jurate Keblyte, CFO of GRAMMER AG: “The financial year 2023 continued to be challenging and characterized by great uncertainties. Although we were able to significantly increase our earnings compared to the previous year, we fell short of our expectations, particularly due to external factors such as the development of volumes and exchange rates. We are continuing to work hard to improve our profitability and have combined the ongoing measures in a ‘Top 10’ program to focus our efforts more strongly. It mainly comprises measures to increase profitability in the EMEA and AMERICAS regions as well as measures to reduce costs in the product development organization, sales and general administration. These measures enjoy our fullest attention. Against this background and supported by the exceptionally high order intake, we are confident that we will achieve our goals in 2024.”

Encouraging performance in APAC and EMEA; AMERICAS still below expectations

The **EMEA** region, which includes the Group's highest-revenue companies, showed a positive performance in financial year 2023 and recorded a revenue increase of 7.0% to EUR 1,210.9 million. Adjusted for currency effects, revenue was up by 7.9%. The increase in revenue was mainly driven by the 10.9% revenue growth to EUR 644.6 million in the Automotive product area. The Commercial Vehicles product area grew its revenues by a moderate 2.9% to EUR 566.3 million and thus fell short of expectations. High revenue was generated in the region particularly in the first six months of the year. In the second half of the year, both divisions were affected by seasonal factors and a subdued market situation, e.g. due to supply chain problems resulting from the flooding in Slovenia in the third quarter. Operating EBIT in EMEA amounted to EUR 64.2 million (previous year: EUR 60.0 million). While positive volume effects and an increase in the passing on of inflation-related cost increases were recorded compared to the previous year,

volume development fell short of expectations, particularly in the Commercial Vehicles product area.

APAC posted a particularly strong revenue growth of 24.7% to EUR 532.3 million in the reporting period, but fell around 10 % short of the originally planned volumes. Adjusted for currency effects, the increase was 35.0% compared to the previous year. However, the previous year's figure was still significantly impacted by the plant closures due to the COVID-19 pandemic in China and the global semiconductor supply shortages. The Automotive product area increased its revenue by 30.4% to EUR 378.7 million. The new plant in Hefei, which supplies one of the most successful Chinese NEV manufacturers, was a major contributor to the strong revenue growth. The Automotive product area now generates more than 40% of its revenue in the APAC region with Chinese OEMs. Revenue in the Commercial Vehicles product area increased by 12.8% to EUR 153.6 million. As a result of the increase in revenue and cost-cutting measures, operating EBIT rose disproportionately to EUR 62.5 million (previous year: EUR 48.5 million).

Performance in **AMERICAS** again fell short of expectations in the 2023 financial year. In addition to the restructuring challenges, the region recorded declining volumes compared to the previous year and a very significant shortfall of more than 25% compared to the expected production figures in the Commercial Vehicles segment. At EUR 622.0 million, revenue was 7.5% below the previous year. Adjusted for currency effects, revenue in the AMERICAS region declined by 3.6%. This was primarily due to the Automotive product area, where the early termination of a customer project in combination with a plant closure and the strikes at the plants of several US car makers had a negative impact. Revenue in the Automotive product area decreased by 6.5% to EUR 502.1 million, while revenue in the Commercial Vehicles product area was down by 11.4% to EUR 119.9 million. Operating EBIT amounted to EUR -42.7 million (previous year: EUR -48.3 million) and was adversely affected by the above-mentioned factors, as well as by a plant relocation, costly machine transfers, new production start-ups and the ramp-up of a new paint line in Mexico.

Order intake reaches new heights – also thanks to innovative products

The financial year 2023 saw positive signals come from order intake, which reached a new record high of EUR 2.7 billion (previous year: EUR 2.5 billion). The company is thus on track to achieve its medium-term revenue target of EUR 2.5 billion by 2025. The high order intake shows that GRAMMER is meeting its high

customer satisfaction standards in all three regions and reflects the progress made in further improving the company's quality and delivery reliability.

GRAMMER's unique and innovative products in the Automotive and Commercial Vehicles product areas also played an important role in the increase in order intake. One focus in the 2023 financial year was the further development of center consoles. For the new Mercedes-Benz GLC, for example, GRAMMER designed a center console that connects the rear and the digitalized cockpit. GRAMMER has thus demonstrated how to combine the demands of modern car interiors. The company also focused on the launch of a new generation of driver seats for agricultural machinery and developed an innovative suspension system for the new GRAMMER MSG 297/2900, among other things.

Chief Operating Officer Guoqiang Li appointed to the Executive Board

Effective April 1, 2024, Guoqiang Li, Chief Operating Officer (COO), will be appointed to the company's Executive Board. Mr Li has been working for GRAMMER since January 2020, initially as President APAC and since October 2022 as a member of the Executive Committee and thus of the top operational management of GRAMMER AG's. In October 2023, Mr. Li also became President AMERICAS.

Dr. Martin Kleinschmitt, Supervisory Board Chairman of GRAMMER AG: "By appointing Mr Li to the Executive Board, we want to support GRAMMER on its way towards operational excellence and, above all, accelerate the implementation of the 'Top 10 Measures' program to increase our profitability. We look forward to continuing our collaboration and are confident that Mr Li and will provide the leadership we need to achieve the company's operational goals as planned, even in his expanded role."

Outlook for 2024: Revenue at previous year's level and significantly higher operating EBIT

The GRAMMER Group expects the negative effects resulting from the difficult macroeconomic environment – such as high inflation and economic fluctuations – to persist in the 2024 financial year. Against this backdrop, the GRAMMER Group expects revenue for the 2024 financial year to remain at the previous year's level of around EUR 2.3 billion (2023: EUR 2.3 billion). Operating EBIT is expected to increase to around EUR 75 million (2023: EUR 56.8 million). With the significantly increased earnings forecast, the company is taking into account the 'Top 10' measures that have been introduced, which will sustainably increase the

company's profitability in 2024 and beyond. A special emphasis is being placed on the targeted turnaround in AMERICAS. With the targeted margin increase, GRAMMER is on track to achieve an operating EBIT margin of more than 5% by 2025, in line with the medium-term outlook.

Key information from the 2023 Annual Report and details of the record order intake are presented on GRAMMER's website at <https://reports.grammer.com/annual-report/2023>. The complete 2023 Financial Report is also available at <https://www.grammer.com/en/investor-relations/financial-publications-presentations/annual-reports/>.

GRAMMER Group key performance indicators

In EUR m	2023	2022	Q4 2023	Q4 2022
Group revenue	2,304.9	2,158.8	570.4	565.6
Revenue EMEA	1,210.9	1,131.4	290.7	282.0
Revenue AMERICAS	622.0	672.5	145.6	180.1
Revenue APAC	532.3	426.7	149.9	120.9
Earnings KPIs				
EBIT	42.0	-45.0	11.5	-47.5
EBIT margin (in %)	1.8	-2.1	2.0	-8.4
Operating EBIT	56.8	35.5	18.4	33.6
Operating EBIT margin (in %)	2.5	1.6	3.2	5.9
Earnings before taxes	9.2	-62.8	0.9	-62.5
Net profit/loss	3.4	-78.6	2.0	-62.9
Other KPIs				
Equity	313.4	301.1		
Net debt	401.1	429.3		
Capital expenditure (without financial assets)	97.1	91.0	38.5	30.6
Depreciation and amortization	81.8	162.4	20.6	96.1
Free cash flow	48.2	31.3	3.9	72.1
Employees (number, average)	14,241	14,044		

GRAMMER's key performance indicator 'operating EBIT' is discussed on page 16 of the 2023 Annual Report.

Rounding differences in the disclosures contained in the consolidated financial statements are possible.

Company profile

GRAMMER AG, which has its head office in Ursensollen, specializes in the development and production of complex components and systems for automotive interiors as well as suspension driver and passenger seats for onroad and offroad vehicles. In the Automotive product area, the Company supplies headrests, armrests, center console systems, high-quality interior components and operating systems, and innovative thermoplastic components for the automotive industry to prominent car manufacturers and Tier 1 suppliers in the vehicle industry. The Commercial Vehicles product area comprises the business segments of truck and offroad seats (tractors, construction machinery, and forklifts) and train and bus seats. GRAMMER has about 14,200 employees and operates in 19 countries around the world. GRAMMER shares are listed in the Prime Standard and traded on the Munich and Frankfurt stock exchanges via the Xetra electronic trading platform.